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UBS AG

v.

UBS CORPORATION SDN BHD

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HIGH COURT MALAYA, KUALA LUMPUR
ABDUL WAHAB PATAIL J
[ORIGINATING MOTION NO: D4-25-12-2005]
4 DECEMBER 2008

C ***TRADE MARKS:*** *Registered trade mark - Rectification - Application for - Whether applicant an aggrieved person - Court, power of - Amendment to registered mark affecting identity of mark substantially - Whether amendment ought to be allowed - Registrar's power to amend the register, whether limited - Trade Marks Act 1976, s. 45*

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The applicant - a global financial services and wealth management firm - was the common law proprietor of the 'UBS' mark worldwide. It was also the registered proprietor of the 'UBS' mark in various jurisdictions worldwide. The respondent was the
E registered proprietor in Malaysia of the 'UBS' mark registered under class 9 in respect of computer software. Although the respondent had registered its mark in 1993, the respondent and/or its associated companies had been using the mark since 1990. The respondent had originally registered its mark with a square
F logo with rectangular components and the letters UBS under which appeared the words 'User Business System'. The respondent had accumulated enormous goodwill and reputation in Malaysia in respect of its accounting computer software. In 2001, the respondent amended its mark in such a manner that only the
G letters 'UBS' were retained. The applicant claimed to be aggrieved by the amendments and/or alteration of the mark and applied *inter alia*, for rectification of the register.

Held:

H **(1)** The power of the court to remove a registered trade mark from the Register based on s. 45 of the Trade Marks Act 1976 ('the Act') is discretionary, even if the applicant for rectification has proved the grounds for such rectification. *Industria De Diseno Textil SA v. Edition Concept Sdn Bhd* (refd),
I *Fazaruddin Ibrahim v. Parkson Corp Sdn Bhd* (refd); *Karrimor International Ltd v. Ho Choong Fun t/a Ah Hwa Trading Co* (refd). (para 12)

(2) In the instant case, the applicant was clearly a person aggrieved within the meaning of s. 45 of the Act. The respondent's use of the 'UBS' mark would cause the public to associate it with UBS the applicant. Further, whether the respondent intended it or not, the respondent would gain from the high levels of public confidence, financial and business experience, discretion and judgment, inherent in the applicant. Leaving matters as they were was not an option in the instant case. (para 14)

(3) The power of the registrar to amend the register under s. 45 of the Act is limited to adding to or altering the trade mark in any manner not substantially affecting the identity thereof. However, in the instant case the deletion of the words 'User Business System' and the logo with rectangular components affected the identity of the mark substantially. This was an alteration that could not be allowed under s. 44 of the Act. (paras 15 & 16)

(4) In the instant case, there was no issue whether the mark had anything to do with the respondent. However, its relationship to the respondent stemmed from its name 'User Business System'. The respondent's argument under s. 10(1)(e) of the Act supported the continued use of the mark 'UBS' in association with 'User Business System' as in the original registered mark. (paras 18 & 19)

(5) In the instant case, the court would take into consideration that the applicant had a representative office in Malaysia and had advertised its services in publications circulated in Malaysia since the 1980s. Even if the applicant was not present in Malaysia in 1990 when the respondent started to use the 'UBS' mark, under s 45 of the Act even if a person has obtained registration, an aggrieved party may apply at any time to rectify the register. *Lim Yew Sing v. Hummel International Sports & Leisure A/S* (refd). (para 21)

(6) Section 14 of the Act does not apply to an application by an aggrieved party to rectify the register under s. 45 of the Act. In the instant case, section s. 14(1)(d) and (e) of the Act, in particular, were of no assistance as these provisions were amended in the year 2000, well after the date of the original registration. (para 22)

(7) There was no reason why the respondent could not obtain the registration as its trade mark "UBS" with the words "User Business System" and the square logo with rectangular components. The amendment of the mark on the register to "UBS" simpliciter, was not authorised under s. 44. Thus, the register ought to be rectified by the removal of the amendment under s. 44. (para 23)

Case(s) referred to:

Fazaruddin Ibrahim v. Parkson Corporation Sdn Bhd [1997] 2 CLJ 863 HC ***(refd)***

Industria De Diseno Textil SA v. Edition Concept Sdn Bhd [2005] 2 CLJ 357 HC ***(refd)***

Karrimor International Ltd v. Ho Choong Fun Ah Hwa Trading Co [1989] 1 LNS 7 HC ***(refd)***

Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA ***(refd)***

Legislation referred to:

Trade Marks Act 1976, ss. 10(1)(e), 14(1)(a), (d), (e), (2), 25(1), 44(1), 45, 82(2)

For the applicant - Michael Soo (KP Ng with him); M/s Shook Lin & Bok
For the respondent - Cindy Goh (HY Peh with her); M/s Cheang & Ariff

Reported by Andrew Christopher Simon

JUDGMENT

Abdul Wahab Patail J:

[1] The re-amended notice of originating motion of the applicant UBS AG (the applicant) is at encl. 16.

[2] The applicant is one of the world's largest financial firms and is the common law proprietor of the mark "UBS" worldwide. The applicant is also the registered proprietor of the mark "UBS" in various jurisdictions worldwide.

[3] The respondent UBS Corporation Sdn Bhd (the respondent) is the registered proprietor in Malaysia of Trade Mark No. 93/09914 for "UBS" in Class 9 in respect of "computer software included in class 9" ("the Mark").

[4] The respondent and UBS Software Sdn Bhd ("UBS Software") have common directors and common shareholders and its principal business activities include developing and marketing off-the-shelf business application software for the small and medium-sized Enterprises market.

[5] Although UBS Software became the registered proprietor of the Mark in respect of computer softwares included in Class 9 in Malaysia under Trademark Registration No. 93/09914 only on 16 December 1993, UBS Software had been using the Mark since 1990.

[6] The representation of the Mark when it was applied for and when it first became registered had a square logo with rectangular components, the letters UBS under which were the words "User Business System". It was registered on 16 December 1993. On 20 September 2001, the respondent applied to amend the Mark which resulted in the current representation of the Mark which is simply the letters "UBS".

[7] In 1998, UBS Corporation Sdn. Bhd. assumed the business of UBS Software as part of a scheme to apply for MSC status. In 2001, UBS Corporation Sdn. Bhd. decided to list the company under the MESDAQ market. In line with the listing exercise, a decision was also taken to amend the trademark as part of the branding exercise to be used to reflect what the respondent and/or its predecessor has been associated with by the public. The application for amendment was allowed and gazetted on 22 November 2001 and the deed of assignment to assign the trademark was done in 5 April 2002. On 1 July 2002, UBS Corporation Sdn. Bhd. changed its name to UBS Corporation Berhad ("the respondent").

[8] There is no reason to doubt the respondent and/or its predecessor and/or its group of companies have been continuously using the trademark "UBS" for its products since 1991 before the applicant ventured into the Malaysian market. It had also accumulated enormous goodwill and reputation in Malaysia as a reputable accounting software provider. On 17 February 2003, The Edge Malaysia reported of the respondent that:

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> ... nearly 200 colleges and universities offer UBS accounting courses, and more than 30,000 students learn how to use his software every year. His product, used by about 120,000 companies, is a *de facto* industry standard for small businesses.

B **[9]** To summarise, the use of the trademark "UBS" is associated with the respondent formally from 16 December 1993 and as UBS User Business Software since 1990. It marketed a range of software systems such as Accounting Software System, Inventory & Billing Software System (Stock Control), Payroll & Human Resource Management Software System, Point of Sale (POS) C Software System, Lawyer Client's Account Software System, Time Attendance Software System, Building and Services Management Software System under the UBS User Business Software and later UBS trademark. These software vigorously marketed, promoted and are widely used in Malaysia.

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[10] On the other hand, the mark "UBS" is associated worldwide with the applicant UBS AG. A court of justice would be failing in its responsibility if it refuses to recognise what is readily accessible information. That UBS AG, short form for UBS Aktiengesellschaft, E the latter a word composed of two nouns "shares" and "company", and meaning a company limited by shares, is a leading global financial services firm offering global wealth management, investment banking, asset management and business banking, and that the mark based on its name UBS is ubiquitous in corporate, F finance and banking business, is a matter of public notice that to require formal proof of it borders on the perverse.

[11] The applicant claims it is a person aggrieved by the alteration of the Mark made in the Register without sufficient cause, the G Mark wrongfully remaining on the Register and/or the error in allowing the alteration to the Mark as:

a. the alteration of the Mark is outside the ambit of s. 44(1) of the Trade Marks Act 1976 ("the Act").

H b. the entry of the Mark on the Register contravenes the following provisions of the Act and art. 6bis of the Paris Convention and art. 16 of the TRIPS Agreement due to the applicant's prior rights in the trade mark "UBS":

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i. Section 10(1)(e) of the Act in that the Mark is not distinctive of and/or not capable of distinguishing the goods or services of the respondent;

ii. Section 25(1) of the Act in that the respondent is not the rightful proprietor of the Mark;

iii. Section 14(1)(a) of the Act in that registration and/or use of the Mark by the respondent or any third party with its consent would likely to deceive or cause confusion to the public or would be contrary to law, or the Mark is not entitled to protection by any court of law;

iv. Section 14(1)(d) and (e) read with s. 14(2) of the Act and art. 6bis of the Paris Convention and art. 16 of the TRIPS agreement in that the Mark is identical with or so nearly resembles the applicant's "UBS" mark which is well-known in Malaysia; and

v. Section 82(2) of the Act in that use of the Mark by the respondent or any third party with its consent would constitute passing-off.

[12] The power of the court to remove a registered trade mark from the Register based on s. 45 of the Act is discretionary, even if the applicant for rectification has proved the grounds for such rectification. See *Industria De Diseno Textil SA v. Edition Concept Sdn Bhd* [2005] 2 CLJ 357, *Fazaruddin Ibrahim v. Parkson Corporation Sdn Bhd* [1997] 2 CLJ 863, *Karrimor International Ltd v. Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 1 LNS 7 HC. Section 45 provides:

45. Rectification of the Register.

(1) Subject to the provisions of this Act:

(a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as if thinks fit;

(b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;

(c) in case of fraud in the registration, assignment or transmission of a registered trade mark or if in his opinion it is in the public interest to do so, the Registrar may himself apply to the Court under this section;

(d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the Registrar shall upon receipt of the notice rectify the Register accordingly.

(2) [Deleted by Act A1078]

[13] The first question is whether UBS AG is a person aggrieved. Paragraph 25.35 of the WIPO Manual of Trade Mark Law & Practice in Malaysia explained the requirement for an applicant under s. 45(1) to be "aggrieved" thus:

> The phrase "person aggrieved" should be construed liberally. It includes any person whose own application for registration is blocked by the one in suite, any person who is alleged to have infringed the registration, and anyone whose legitimate business may be adversely affected by a wrongful registration.

[14] That the use of the mark "UBS" would cause the public to associate it with UBS the bank and wealth manager. On reflection, a mark "BUS", notwithstanding the use of the same three letters of the alphabet, would doubtless involve much more expense in advertising and promotion for public recognition than the use of the mark "UBS". Be that as it may, the business in which UBS AG is involved involves maintenance of high levels of public confidence in its financial and business experience, discretion and judgment, such that the respondent would gain by the association, whether the respondent intended it or not, with the mark "UBS" while UBS AG would not by the association with the respondent. An application if made by UBS AG to register its mark "UBS" is obviously blocked by the mark "UBS" registered by the respondent. Clearly, UBS AG is a person aggrieved within the meaning of s. 45, and equally clearly, not making any order but to leave things as they are is not an option as both parties are affected.

[15] The second issue is whether the Registrar had power under s. 44 of the Act to allow the amendment of the respondent's original trademark to the current "UBS". Section 44 provides:

> 44. Alterations of registered trade mark.
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> (1) The registered proprietor of a trade mark may apply in the prescribed manner to the Registrar for leave to add to or alter the trade mark in any manner not substantially affecting the identity thereof and the Registrar may refuse leave or may grant it on such terms and subject to such limitations as he may think fit.
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> (2) The Registrar may cause an application under this section to be advertised in the prescribed manner in any case where it appears to him that it is expedient to do so, and if within the prescribed time from the date of the advertisement any person gives notice to the Registrar in the prescribed manner of opposition to the application, the Registrar shall, after hearing the parties if so required, decide the matter.
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> (3) A decision of the Registrar under this section is subject to appeal to the Court.
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> (4) Where leave under subsection (1) is granted the trade mark, as altered, shall be advertised in the prescribed manner unless it has already been advertised in the form to which it has been altered in an advertisement under subsection (2).

[16] The power to amend is limited to adding to or altering "the trademark in any manner not substantially affecting the identity thereof …". The deletion of the square might not affect the identity substantially although it is arguable the more prominent part of the trade mark. But plainly the deletion of the words "User Business System" removed the qualification to the letters "UBS" in the trade mark so that there is nothing to show it is not the common law "UBS" mark of UBS AG. It is the finding of this court that the deletion of the words "User Business System" and the square with rectangular components affected the identity of the mark substantially, and was an alteration that could not be allowed under s. 44 of the Act. With the words "User Business System" in place the respondent has at least some claim to the use of letters "UBS" in its mark. With the words "User Business System" in place it would qualify under s. 10 of the Act to use the letters "UBS" in the trade mark.

[17] The respondent also relied upon s. 10(1)(e) of the Act. It provides:

> 10. Registrable trade marks.
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> (1) In order for a trade mark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:
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> (e) any other distinctive mark.

[18] I do not think any issue arises that the mark has nothing to do with the respondent, but it must be borne in mind that its relationship to the respondent stems from its name "User Business System". I observe that in the applicant's case the mark "UBS" is its name, and that this is seen advertised in various publications available in Malaysia.

[19] There is no reason not to accept that the respondent began use of the mark "UBS" since 1990, and that it is short for "user business system", a term that describes the type of goods offered by the respondent. But the argument then supports the continued use of the mark "UBS" in association with "user business system" as in the original mark that was registered rather than used independently.

[20] In *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784 Mahadev Shankar JCA held:

> Trade Mark law is very territorial in many aspects. So it will be useful to keep in the forefront of our minds that however distasteful it may be for a trader in one country to appropriate the mark of a foreign trader who is using that mark in a foreign country, there is nothing unlawful under the Trade Marks Act for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods provided that the foreign mark has not been used at all in Malaysia.
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> We must therefore start on the premise that in Malaysia Gurdip Kaur is the author or originator of the Trade Mark.
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> She claims that since 1981 she commenced to use the Trade Mark for clothing and sportswear and has widely distributed goods bearing the Trade Mark.

[21] This decision is careful not to base itself on the premise that no person can register for his use a foreign mark. In coming to its decision, this court takes into consideration that UBS AG has a representative office in Malaysia and the court can take public notice of the fact advertisements of UBS AG services have appeared in publications in circulation in Malaysia since the 1980s. Even if the applicant was not present in Malaysia in 1990 when the respondent started to use the "UBS" mark, the effect of s. 45 of the Act is that even if a person has obtained registration, an aggrieved party can apply at any time to rectify the register.

[22] Submissions were made on s. 14 of the Act. Section 14 deals with prohibition on registration. This court does not think that s. 14 is of application in relation to an application by an aggrieved party to rectify the register under s. 45. Sections s. 14(1)(d) and s. 14(1)(e) of the Act, in particular, can be of no assistance as these sections were amended in the year 2000, well after the date of the original registration, but is relevant to the amendment of the mark.

[23] For the foregoing reasons, while there is no reason why the respondent cannot obtain the registration as its trade mark "UBS" with the words "User Business System" and the square logo with rectangular components, the amendment of the mark on the register to "UBS" simpliciter, is not authorised under s. 44. In the event, this court orders that the register be rectified by the removal of the amendment under s. 44. As to removal of the mark in its original form, this court accepts the submissions of the respondent, but only so far as the right to the mark in the original form.

[24] And the court so ordered.